



# PUBLIC NOTICE

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## WIRELINE COMPETITION BUREAU ADDRESSES TRANSITION TO MODEL-BASED SUPPORT FOR CARRIERS THAT ACCEPTED THE OFFER OF PHASE II CONNECT AMERICA FUND SUPPORT

### WC Docket No. 10-90

By this Public Notice, the Wireline Competition Bureau (Bureau) provides direction to the Universal Service Administrative Company (USAC) regarding the calculation of the transition payments pursuant to section 54.310(f) of the Commission's rules.<sup>1</sup>

Section 54.310(f) of the Commission's rules specifies that price cap carriers electing model-based support in states where that support is less than their Phase I frozen support will transition to model-based support over a multi-year period. In particular, the rule specifies that in the first year, in addition to the Connect America Phase II support, carriers will receive 75 percent of the difference between Phase I frozen support and model-based support; in the second year, they will receive 50 percent of the difference between Phase I frozen support and model-based support; and in the third year, they will receive 25 percent of the difference. For administrative convenience, we direct USAC to calculate transition payments for all states where model-based support is lower than Phase II support on the same time schedule, regardless of when the electing carrier submitted its letter accepting the offer of support. We direct USAC to treat August 1, 2015 through July 31, 2016 as the first year of the transition to the lower Phase II amount; August 1, 2016 through July 31, 2017 as the second year of the transition; and August 1, 2017 through July 31, 2018 as the third year of the transition.<sup>2</sup> USAC shall make any necessary adjustments to support amounts to implement this uniform time frame for the first year of the transition to Phase II payments for the two carriers that were authorized to begin receiving Phase II support prior to USAC's processing deadline for August 2015 support payments.<sup>3</sup>

For additional information on this proceeding, contact Heidi Lankau ([Heidi.Lankau@fcc.gov](mailto:Heidi.Lankau@fcc.gov)) of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

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<sup>1</sup> 47 C.F.R. § 54.310(f).

<sup>2</sup> This direction relates solely to the timing of transition payments for companies accepting reduced Phase II support and does not affect those companies' Phase II build-out obligations or the timing of their build-out progress certifications for Phase II.

<sup>3</sup> See *Wireline Competition Bureau Authorizes Frontier Communications Corporation to Receive Over \$283 Million in Connect America Phase II Support to Serve 1.3 Million Rural Americans in 28 States*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 6310 (Wireline Comp. Bur. 2015); *Wireline Competition Bureau Authorizes Windstream to Receive Over \$174 Million in Connect America Phase II Support in 17 States*, WC Docket No. 10-90, DA 15-888 (Wireline Comp. Bur. rel. Aug. 5, 2015).